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FISCAL POLICES PROCEDURES

ACCOUNTS RECEIVABLE: CREDIT COLLECTIONS AND BAD DEBTS

ADMINISTRATIVE PROCEDURES

Each state agency has full responsibilities for collection of its own accounts receivable. Each agency should establish general procedures for its collection activities.

The write-off shall not prejudice the position of the State.

To write off an account receivable in STARS:

- Use TC 121R if the original was set up with TC 120.
- Use TC 125R if the original was set up with TC 124.

These entries will reduce your revenue for the fiscal year they are entered. If the amounts are significant enough to skew revenue projections or other analysis and reporting, you can contact the State Controller's Accounting Customer Resource Center acrc@sco.idaho.gov for assistance in making a prior year adjustment.

Any amounts written off and then subsequently collected, should be reinstated to accounts receivable and then recorded as a normal revenue receipt.

FISCAL YEAR-END PROCEDURES

At fiscal year-end, Generally Accepted Accounting Principles (GAAP) requires that a determination be made between collectible receivables and uncollectible receivables. Therefore, each agency shall review its accounts receivables and determine the total amount deemed to be uncollectible.

For GAAP purposes only, an allowance shall be established for "doubtful accounts" and reported to the State Controller's Office, Division of Statewide Accounting. This information is provided to the State Controller's Office in the GAAP Closing Package Process.

For questions or assistance with the [GAAP Closing Package](#), e-mail the Bureau of Reporting and Review at cafr@sco.idaho.gov.